

## SSI Medical Program

### KEESM 2630

SI Medical is one of our easiest programs to process for eligibility. A Kansas resident who receives SSI income is eligible for Medicaid and entitled to a medical card. Also, if a consumer has an SI only program they will not have reviews. As with any program, there are common changes that we need to act on.

**1. Address change-** If a change of address is reported or discovered it must be updated.

**2. Wages-** There are incentives that allow many of our consumers to work and retain their SSI eligibility. The Social Security Administration has created provisions in their act that permits individuals to work at the “substantial gainful activity” level without jeopardizing their SSI disability status. **This is called 1619 status.**

**1619 (a) status** means individuals continue to receive a cash benefit as their earnings do not exceed the SSI benefit levels. Their SSI income may fluctuate but this does not affect their eligibility for Medicaid.

**1619 (b) status** means that individuals do not receive a cash benefit as their earnings exceed SSI benefit levels but they continue to be eligible for medical assistance. Social Security determines 1619 (b) status.

**3. Loss of SSI eligibility-** If a consumer has lost their SSI eligibility you will want to know why. There will be times when you may need to check with Social Security to determine if eligibility was lost due to wages. If that is the case, the consumer may be eligible for 1619 (b) status. Social Security determines this status based on a person's need for ongoing Medicaid coverage. If a consumer loses SSI due to eligibility for another cash benefit, you will need to determine if they are eligible under one of the Special Medical Groups (page 46) or qualify for assistance under a different medical program.

**4. Institutionalization** - There is no SSI eligibility for persons who reside in most public institutions such as prison or other correctional facilities unless it is a medical facility for which Medicaid payment can be approved.

**A SI medical case should be closed for the following reasons when a consumer is institutionalized.**

- ★ prison
- ★ consumers between age 21 & 65 in a IMD
- ★ enters a nursing facility for a long term stay and receives SSI & SSDI income. In this circumstance the SSI would terminate but client would still continue to receive the SSDI payment. The individual would need to reapply under the MS program.

**An SI medical case should remain open when a consumer is institutionalized:**

- ★ enters a Medicaid approved institution for a temporary stay (Temporary stay is defined as the month of entrance and the following two months)
- ★ enters a nursing facility and receives SSI income only. The consumer's SSI income is reduced to \$30 and MS eligibility continues.

**5. Marriage** - Consumers may lose their SSI eligibility due to their spouse's income/resources. As a worker, you may need to inform your consumers how this could change their SSI status and eligibility for Medicaid.

# NOTES

5/2008

## Disability Status

### KEESM 2662

In The Personal Trainer, you learned that a person must be age 65 or older or meet specific disability criteria to receive coverage under the MS program. It is not very difficult to determine a person's age, however, the policies related to disability status are not as clear cut. Take a closer look at the disability guidelines.

Individuals who are determined to be disabled, including blindness, may receive Medicaid under the MS program. The following factors apply to individuals seeking Medicaid eligibility as a "disabled" individual:

- ✓ Must be determined to be or have been blind or disabled according to Social Security Administration standards (includes those who received SSI disability).
- ✓ A disability determination made by Railroad Retirement Board or Veterans Administration is **not** sufficient.
- ✓ A prior determination of disability by SSA is **not** considered void if an SSA or SSI benefit stops for a reason **other than** cessation of disability.
- ✓ If a determination of blindness or disability has not been made, there are two processes the applicant can be referred to for a disability determination.

#### 1. Presumptive Medical Disability (PMD)

PMD is a process to determine disability for individuals applying for Medical Assistance or General Assistance. This process allows the State to make an internal disability determination without waiting for Social Security's disability decision. It can take up to 90 days for a decision. The applicant is required as a condition of eligibility to apply for disability benefits through Social Security.

- If the individual is not determined to be disabled through the PMD process, the MS application date can be protected as long as they have cooperated with the PMD process and have a current SSA application. A SSA application has to be pending or in appeal status to be considered current.

5/2008

### Example 1

Mary Jane applies for MS on April 13, stating she is totally disabled and it will last longer than 12 months. Mary meets MS eligibility criteria and has self declared disability. The EES worker has Mary sign the appropriate forms and the time and date of the telephone consultation is given to Mary. The worker sends the forms and referral to PMDT for a presumptive disability determination. In addition, Mary has been referred to Social Security to apply for disability benefits. On May 10, the worker is notified by PMDT that Mary does not meet Presumptive Medicaid or Tier 1 disability level. Mary's case is denied for Presumptive Medicaid. Since Mary's SSA disability application is current and she cooperated with the PMD process, her application date for medical assistance is protected.

On September 21, Mary receives notification from SSA that her appeal has been denied and she is not disabled. Mary decides not pursue appealing to a higher level, therefore her application date for medical assistance is no longer protected.

### **2. Disability Determination Service (DDS)**

There are situations when Social Security will not make a determination as the individual is not eligible for cash payment. In those situations, the applicant will be referred to DDS for a disability determination. Social Security will also not make a disability determination on a deceased individual with no active SSA application on file. The worker is responsible for securing initial information about the disability and providing the information to DDS. The DDS referral procedures are outlined in KEESM 2662.

- If the individual is denied disability status by SSA, there is no eligibility unless s/he qualifies for another FFP medical program (i.e. MA, MP). The application for Medicaid is denied.

# NOTES

5/2008

## Reviewing Information You Already Know

In The Personal Trainer you learned about coding the **SEPA** screen, **MERE** screen, and income screens (including **UNIN**). Here is a quick review of some of the coding information.

### SEPA - Participation Codes

An individual coded **IN** can potentially receive medical coverage, and their income and resources are counted in determining eligibility.

An individual coded **DI** does not receive medical coverage. Their income and resources are counted in determining eligibility.

An individual coded **OU** is not considered in any way for medical assistance. There is no coverage and income and resources are not considered.

### MERE - Medical Subtypes

**OA** is entered for individuals who are age 65 or older.

**AB** is entered for those who have been determined to be blind according to the Social Security Administration standards.

**AD** is entered for individuals who have been determined disabled according to Social Security standards. They do not have to be receiving disability payments, but only need to meet the requirements.

### UNIN - Income Types

It is very important to code a person's unearned income correctly on the **UNIN** screen. The income code, in many cases, indicates to the KAECSSES system that a household meets the special household criteria for the Food Stamp program.

Social Security that is not classified as a disability payment should be coded as **SS OT** on the unearned income screen.

Social Security disability payments should be coded as **SS DS** on the unearned income screen to assist in identifying those who are disabled from those who are not.

5/2008

## **...A Man Named Jed**

### **Jed Clampett - Case # 102--**

## **Come listen to the story about a man named "Jed"...**

Jed Clampett and his wife Daisy have applied for medical assistance. Both Jed and Daisy have been experiencing some health problems. The oil business went bad years ago and the Clampetts lost most of their assets. They did, however, retain a small amount of real estate in California. The property has been listed with a real estate agent, at it's appraised value of \$80,000, for the past 10 months. The market in California is not what it used to be and the Clampetts have not been able to sell it. Daisy and Jed did sell their Beverly Hills mansion when they moved to Kansas where Jed worked in the Wildlife Management Industry until last year. With the proceeds from the sale of the mansion, they purchased a modest \$72,000 home (they paid cash, so they don't owe anything) and put the rest in the bank.

Life was moving along pretty well until Jed experienced serious health problems. He had a lengthy hospital stay and lost a lot of time at work. It wasn't long before the rest of the money from the sale of the mansion was depleted. All that is left is \$1,000, which is in a joint savings account at the Drysdale State Bank.

Jed has a life insurance policy with a face value of \$25,000 and a cash surrender value of \$450. Daisy also has a life insurance policy with a face value of \$1,000 and cash surrender value of \$200. They are thankful that they didn't have to borrow against the life insurance to make ends meet.

With his age and ill health, Jed decided to retire last year. He gets Social Security and has Medicare Part A, Part B and Part D coverage which helps with some of the medical expenses. He is having a hard time covering all of the premiums, co-pays and deductibles. Jed says that he will have to make another visit to the hospital for surgery soon. Daisy reports having a large due and owing bill from a trip to the hospital back a couple of months ago. The Clampetts' 1997 Chevy Silverado Pickup has managed to hold together. It's only worth \$1,000, but it's paid for, so things could be worse.

Upon their move to Kansas, Daisy worked full time at Granny's Lye Soap factory. She only made \$5.25 an hour, but she enjoyed the work and the money helped out. After Jed's illness, Daisy opted for early retirement so that she and Jed could spend more time together. Daisy receives early retirement Social Security Income. She also still works at Granny's Lye Soap 10 hours a week, just to get out of the house and pick up a little extra cash. She now earns \$6.50 an hour and is paid weekly.

Daisy's uncle died last year and left her a portion of a \$500,000 farm in western Kansas. However, the estate is in probate because there are 25 potential heirs to the estate and some of them cannot be located. The attorney told Daisy that this may not be settled in her life time. The Clampetts would like to get a medical card for both of them.

1/2009



## EATSS information for Jed Clampett

PRESS APPROPRIATE FUNCTION KEY			
TPQ1	EASY ACCESS TO SOCIAL SECURITY	01/04/10	14:30
-----INPUT DATA-----			
SWWORKER			
CAN: 512532547A WIRE THIRD PARTY QUERY PAGE #1			
SSN: 512532547	NAME: CLAMPETT	JED	DOB: 01041939 SEX: M
-----TPQY/SSA INFORMATION-----			
SSN: 000000000	NAME: CLAMPETT	JED	DOB: 01041939 SEX: M
CAN: 512532547 A00 PYMT STATUS: CURRENT PAYMENT		EFF DATE: \$GROSS\$	
DOD: 000000	DUAL ENTITLEMENT NO: 000000000	1208	752.40
INIT ENT: 0104	LUMP SUM AMT:\$ 0.00	1207	735.50
SSN VERIFIED: Y	LUMP SUM DATE:	1206	712.50
NET MO BEN:\$ 656.00	DISABILITY BEGAN:	1205	678.20
MEDICARE	ENTITLED	PREMIUM	STOP STATUS BUY-IN START STOP
PART A HOSP 0104	\$ 0.00	0000	YES-AUTO ENTITLEMENT 0000 0000
PART B SUPP 0104	\$ 96.40	0000	YES-ENROLLED 0000 0000
-----TPQY/SSI INFORMATION-----			
SSN: 000000000	NAME:	DOB: 00000000 SEX:	
PYMT STATUS:	1619B:	INIT ELIG: 0000	
NET BENEFITS DATE		FED AMT	STATE AMT
CURRENT--> 000000	TYPE PAYMENT	\$ 0.00	\$ 0.00
HISTORY 000000		\$ 0.00	\$ 0.00
000000		\$ 0.00	\$ 0.00
QOFC:	F5=BENDEX: 20091201	SDX:	F7=TPQY: 20100104
F1=RETURN F2=CURR REC F4=SEND		F9=NEXT REC	F10=HELP F12=LOGOFF

  

PRESS APPROPRIATE FUNCTION KEY.			
BEND	EASY ACCESS TO SOCIAL SECURITY	01/04/10	14:31
-----INPUT DATA-----			
SWWORKER			
CAN: 512532547A BENDEX			
SSN: 512532547	NAME: CLAMPETT	JED	DOB: 01041939 SEX: M
----- BENDEX/SSA INFORMATION -----			
SSN: 512532547	NAME: CLAMPETT	JED	DOB: 01041939 SEX: M
CAN: 512532547 A DIRECT DEPOSIT:		DATE DISABILITY BEGAN: 000000	
PYMT STATUS: CURRENT PAYMENT		INIT ENT: 011903 CURR ENT: 012009	
EFFECTIVE	GROSS AMT	COUNTABLE GROSS AMT	NET AMT
DATE (PRIOR TO TRUNCATION)	(PRIOR TO OP DEDUCT)	(AFTER ALL DEDUCT)	
121908	\$ 752.40	\$ 752.40	\$ 656.00
MO OVERPYMT DEDUCTION:\$ 0.00	LAST MONTH OF OVERPYMT DEDUCTION: 000000		
POTENTIAL DUAL ENT: 000000000	POTENTIAL TRIPLE ENT: 000000000		
BLACK LUNG ENT/TERM: 000000	BL STATUS:		
BL PYMT AMT:\$ 0.00	BL ID CODE:		
RR CLAIM NUM:	RR STATUS:		
COMMUNICATION CODE: STATE AND BENDEX RECORDS MATCHED			
SSI ENT/TERM DATE: 000000 SSI INFO:			
MEDICARE	ENTITLED	PREMIUM	STOP STATUS BUY-IN START STOP
PART A HOSP 011903	\$ 0.00	000000	YES-AUTO ENTITLEMENT 000000
PART B SUPP 011903	\$ 96.40	000000	YES-ENROLLED 000000 000000
QOFC:	F5=BENDEX: 20081201	SDX:	F7=TPQY: 20090104
F1=RETURN F2=CURR REC F4=SEND		F9=NEXT REC	F12=LOGOFF

Revised 10/2008

## EATSS INFORMATION FOR DAISY CLAMPETT

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PRESS APPROPRIATE FUNCTION KEY
TPQ1                      EASY ACCESS TO SOCIAL SECURITY          01/04/10  14:27
-----INPUT DATA-----

      SSWORKER
CAN: 512532547B          WIRE THIRD PARTY QUERY PAGE #1
SSN: 511126382    NAME: CLAMPETT          DAISY          DOB: 04141946 SEX: F
-----TPQY/SSA INFORMATION-----
SSN: 511126382    NAME: CLAMPETT          DAISY          DOB: 04141946 SEX: F
CAN: 512532547 BOO PYMT STATUS:          EFF DATE: $GROSS$
DOD: 000000          DUAL ENTITLEMENT NO: 000000000          1208          421.00
INIT ENT: 0408          LUMP SUM AMT:$          0.00          0408          411.00
SSN VERIFIED: Y          LUMP SUM DATE: 0000          0000          0.000
NET MO BEN:$          421.00          DISABILITY BEGAN: 000000          0000          0.00
MEDICARE          ENTITLED          PREMIUM STOP          STATUS          BUY-IN START STOP
PART A HOSP 0000          $          0.00 0000          0000          0000 0000
PART B SUPP 0000          $          0.00 0000          0000          0000 0000
-----TPQY/SSI INFORMATION-----
SSN: 0000000000    NAME:          DOB: 00000000 SEX:
PYMT STATUS:          1619B:          INIT ELIG: 0000
NET BENEFITS DATE          FED AMT          STATE AMT
CURRENT--> 000000          TYPE PAYMENT          $          0.00 $          0.00
HISTORY          000000          $          0.00 $          0.00
          000000          $          0.00 $          0.00
QOFC:          F5=BENDEX: 20091201          SDX:          F7=TPQY: 20100104
  
```

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PRESS APPROPRIATE FUNCTION KEY.
BEND                      EASY ACCESS TO SOCIAL SECURITY          01/04/10  14:29
-----INPUT DATA-----
                        BENDX
CAN: 512532547B
SSN: 511126382    NAME: CLAMPETT          DAISY          DOB: 04141946 SEX: F
-----BENDEX/SSA INFORMATION-----
SSN: 511126382    NAME: CLAMPETT          DAISY          DOB: 04141946 SEX: F
CAN: 512532547 B          DIRECT DEPOSIT:          DATE DISABILITY BEGAN: 000000
PYMT STATUS: CURRENT PAYMENT          INIT ENT: 042008 CURR ENT: 012009
EFFECTIVE          GROSS AMT          COUNTABLE GROSS AMT          NET AMT
DATE (PRIOR TO TRUNCATION) (PRIOR TO OP DEDUCT) (AFTER ALL DEDUCT)
121908          $          421.00          $          421.00          $          421.00
MO OVERPYMT DEDUCTION:$          0.00          LAST MONTH OF OVERPYMT DEDUCTION: 000000
POTENTIAL DUAL ENT: 000000000          POTENTIAL TRIPLE ENT: 000000000
BLACK LUNG ENT/TERM: 000000          BL STATUS:
BL PYMT AMT:$          0.00          BL ID CODE:
RR CLAIM NUM:          RR STATUS:
COMMUNICATION CODE: STATE AND BENDEX RECORDS MATCHED
SSI ENT/TERM DATE: 000000 SSI INFO:
MEDICARE          ENTITLED PREMIUM STOP          STATUS          BUY-IN START STOP
PART A HOSP 000000 $          0.00 000000 NOT ENTITLED          000000
PART B SUPP 000000 $          0.00 000000 NOT ENTITLED          000000 000000
QOFC:          F5=BENDEX: 20081201          SDX:          F7=TPQY: 20100104
F1=RETURN F2=CURR REC F4=SEND          F9=NEXT REC          F12=LOGOFF
  
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Revised 1/2010

# Resources

## KEESM 5200

### Resource Limits

MS	\$2000 FOR 1 PERSON \$3000 FOR 2 OR MORE	QMB/LMB	\$6600 FOR 1 PERSON \$9910 FOR 2 OR MORE
		Subsidy	\$11,010 FOR 1 PERSON \$22,010 FOR 2 PERSON

### Guidelines for Counting Resources

- The **full** value of available nonexempt **personal** property must be considered in resource determination.
- **Pro rata** share of available jointly owned **real** property must be considered available to an individual.
- Resources held jointly with a **non-legally responsible person** will not be considered if the individual can demonstrate that:
  - ✓ s/he has no ownership in the resource
  - ✓ s/he has not contributed to the resource
  - ✓ access is limited to acting as an agent for the other person
- Resources of **all** persons in the assistance plan and any excluded legally responsible person must be considered.
- **Full equity value** of jointly owned resources of a husband and wife are considered in determining eligibility for either or both if living together.

### Resource Availability -

**Legal Impediment** = Resources are considered **unavailable** when there is a legal impediment that precludes the disposal of the resource. The resource is exempt if:

- ✓ applicant/recipient takes reasonable steps to overcome the legal impediment
- ✓ cost of pursuing legal action would be more than the individual would gain
- ✓ likelihood of succeeding in the legal action would be unfavorable to the applicant or recipient.

1/2010

## Countable Resources

- Money (e.g. cash on hand, checking/savings account balance, CD's)
- Real Estate not used as a home
- Life Estate - A life estate is when a person changes the deed of their property to someone else, but maintains the right to reside in the home for the remainder of their life. The person who holds the life estate is generally responsible for all expenses related to the property. **If the property is currently used as a home by our consumer it is exempt.**
- Cash surrender or loan value of most life insurance
- Investments such as stocks, bonds, money market accounts
- One vehicle is countable if someone outside of the assistance family group has the primary use, enjoyment and possession of the vehicle. (KEESM 5520)

Example: Nursing Facility resident who purchases a new vehicle in their name for the primary benefit of a child or grandchild. The vehicle would not be exempt and the purchase may be considered an inappropriate transfer for long term care purposes.

## Income vs. Resources

An item cannot be considered income and a resource in the same month.

### Example

Consumer applies for IL in January. In the month of application, the consumer provides a bank statement showing a \$2,000 balance. The statement also shows a \$500 direct deposit from Social Security. The \$500 deposit must be deducted from the total balance and only \$1,500 would be a countable resource.

Money cannot be counted as a resource until it has first been considered as income.

### Example

Consumer has ongoing IL case and receives annual contract sales income of \$1,500 on 9/1. The \$1,500 payment is considered intermittent income. It is prorated over the number of months intended to cover and \$125/mo is counted as income. Savings account statement shows balance of \$2,750 as of 9/1.  $\$2,750 - \$1,500 = \$1,250$  as countable resource because the payment is budgeted for subsequent months, it is not considered a resource. When the case comes due for review in February, the savings account statement shows a balance of \$2,800. The remainder of the contract sale income has not yet been counted as income and must be deducted from the savings account balance.  $\$125 \times 6 \text{ months remaining} = \$750$ .  $\$2,800 - \$750 = \$2,050$  remaining to be counted as resource.

In the above example, if the consumer had received the \$1,500 contract income 9/1 and had applied for IL on 10/5, the entire \$2,750 balance would be counted as a resource as intermittent income is not counted as income unless it is received in a month for which eligibility is being determined.

5/2008

## Resources - Exempt Real Property

### KEESM 5330

Exemptions	Information Regarding the Exemption
Home	The home where the consumer lives is exempt, including the home itself and all contiguous tracts of land upon which the home is located.
Income Producing Property & Property Essential to Employment or Self-employment	<p>Exempt in full even if used on seasonal basis</p> <ul style="list-style-type: none"> <li>➤ If individual is not actively involved in management, income is generally counted as unearned. If the individual is actively involved in management, income is counted as earned.</li> </ul>

## Resources - Exempt Personal Property

### KEESM 5430

Exemptions	Information Regarding the Exemption
Household Items, Personal Effects, & Keepsakes	<ul style="list-style-type: none"> <li>➤ Household equipment and furnishings in use or only temporarily not in use are exempt. This would include dishes, furniture, etc.</li> <li>➤ Personal effects and keepsakes are exempt. A keepsake is an item that is kept for the sake of the giver or has sentimental value</li> </ul>
Lump Sum Social Security Benefits	<ul style="list-style-type: none"> <li>➤ A retroactive Social Security benefit is exempt as a resource for 9 months following the month of receipt.</li> </ul>
Vehicle	<ul style="list-style-type: none"> <li>➤ One motor vehicle (owned or being purchased) is exempt per assistance family of the primary purpose of the vehicle is to serve the needs of the assistance family group.</li> </ul>

5/2008

## Resources - Exempt Personal Property

### Life Insurance, Burial Plans, & Funeral Agreements

#### KEESM 5430

Exemptions	Information Regarding the Exemption
<p>Term Life Insurance &amp; other policies with combined face value not exceeding \$1,500</p> <p><b>For Subsidy only determinations, all life insurance policies are exempt! Change eff 1/2010</b></p>	<p>Term or group life insurance with no cash surrender value, regardless of face value is exempt. Total face value of all other life insurance policies must not exceed \$1,500 to be considered exempt.</p> <p><b>Neither</b> face value <b>or</b> cash value is increased by accumulated dividends or interest.</p> <p>Face value <b>and</b> cash value is decreased by an outstanding policy loan.</p>
<p>Burial Spaces &amp; Merchandise</p>	<p>Can pre-pay separately or as part of an revocable or irrevocable burial plan.</p> <p>Includes (but not limited to): cemetery plots/spaces, crypts, &amp; mausoleums, caskets, urns, vaults, headstones, and other grave markers.</p> <p>Also includes monies set aside for opening and closing of the grave.</p>
<p>Revocable Funeral Agreements or Burial Funds of up to \$1,500</p>	<p>Irrevocable agreements established for purchase of burial merchandise are not limited to \$5,000.</p> <p>Can include; cash, savings accounts, checking accounts, stocks, bonds, C.D.s, CSV of life insurance policies, etc.</p> <p>The \$1,500 amount <b>must be reduced</b> by the value of irrevocable funeral agreements &amp; face value of all exempt life insurance policies (not term policies).</p> <p>Interest accumulated on the fund (since 11/01/1984) is exempt.</p>
<p><b>1/2010</b></p>	<ul style="list-style-type: none"> <li>• <b>Must be separately identifiable</b> and clearly designated for burial.</li> </ul>

Exemptions	Information Regarding the Exemption
Irrevocable Funeral Agreements	<p>May be established for payment of basic funeral services up to a maximum of \$5,000.</p> <p>Principal amounts in excess of \$5,000 are considered as revocable.</p> <p>Irrevocable agreements established for the purpose of purchasing burial merchandise are not counted toward the \$5,000 limit.</p> <p>Applies not only to funeral agreements, but also to burial insurance policies, irrevocable assignments of life insurance policies, &amp; irrevocable C.D.'s. providing the ownership rights and proceeds are assigned to a specific funeral home and that the type and value of funeral services to be provided are clearly delineated.</p> <p>If life insurance policy(s) are used, the value of the plan must be equivalent to the policy(s) death benefit (as that is the amount the funeral home would receive).</p> <p>Accumulated interest and other earnings from these plans are exempt.</p> <p>Irrevocable funeral agreements from other states are to be honored (exempted) regardless of the amount.</p>

NOTE: In order for a funeral arrangement funded by a life insurance policy or annuity to be considered exempt the following must be included;

- Funeral arrangement assigned as irrevocable **AND**;
- Ownership of life insurance or annuity policy assigned to the funeral home **OR** a statement in the policy assigning excess funds to the State.

**Send V-304 & I-012 to notify consumer and funeral home that any excess funds from a prepaid funeral arrangement must be turned over to the State.**

## Overview of Estate Recovery

Estate Recovery is a program which allows SRS to recover medical care costs from the estates of recipients who, prior to their death were:

- 55 years of age or older (except for consumers who receive only Medicare Savings Program benefits) or
- were receiving long-term institutional care, HCBS or PACE services
  - Your consumers who are subject to estate recovery need to understand the provisions that apply once they accept Medicaid assistance.
  - You have a responsibility to provide all new applicants with a copy of the Estate Recovery Brochure or Fact Sheet.
  - You will need to be able to correct misconceptions about estate recovery, explain the basics of the program, and refer consumers with questions to the Estate Recovery Unit.
  - You have a responsibility to notify the ERU/HMS of Medicaid consumers who pass away.

In 2006, KHPA entered into a contract with Health Management Systems, Inc to support the Estate Recovery process. The Estate Recovery unit will continue to provide some direct services related to the recovery process and will have oversight over the contractor. You can continue to contact KHPA ERU regarding pre-payment and spousal elective share consultation.

Services HMS will provide include:

- Post-death recoveries involving probate, conservatorships, guardianships, family agreements in lieu of probate, nursing home funds, POD bank accounts, funeral plan excess and (d)(4) trusts (disability payback & charitable pooled trusts)
- Pre-death recoveries involving Medicaid liens
- Waiver requests involving recovery areas
- Negotiated settlements involving recovery areas
- Inquiries on claims amounts (for handling TOD deeds, resident trust funds, funeral plan excess and POD accounts)
- Inquiries on procedures used by HMS in recoveries

HMS Estate Recovery Program 2942 Wanamaker, Suite 1C Topeka, KS 66614	Tel: 1-800-817-8617 Fax: 1-646-465-6530 (goes to e-mail) Email: <a href="mailto:eeseru@khp.ks.gov">eeseru@khp.ks.gov</a>
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1/2010



## Exempt Income

KEESM 6400

Common Exemptions	Information regarding the Exemption
<b>Some types of Veteran's Income</b>	Income designated as aid & attendance, house bound allowance, or unusual medical expense deductions are types of exempt income.
<b>Tax Refunds</b>	Legislated tax refunds and rebates are exempt as income.
<b>Reimbursements</b>	Reimbursements for out of pocket expenses are exempt. For example, medical reimbursements by a person's health insurance for a claim paid for by the consumer.
<b>Lump Sum Payments</b>	A nonrecurring one time payment, unpredictable in amount or time of receipt.
<b>Interest to a Burial Fund</b>	Interest credited to an exempted burial fund or to a prepaid burial contract is exempt.
<b>Interest, Dividends &amp; Gifts</b>	Interest that does <u>not</u> exceed \$50.00 monthly is exempt. Over \$50.00 monthly is counted in full. Monetary gifts received <u>regularly</u> that exceed \$50 per month are counted in full. KEESM 6220
<b>Gifts</b>	Irregular, occasional, or unpredictable gifts. The first \$50 (per case/per month) is exempt in the month received. The amount in excess of \$50.00 must be counted.
<b>Energy Assistance</b>	Energy assistance furnished by a federal or state regulated entity, a private nonprofit organization, a supplier of home heating oil or gas, or a municipal utility company which provides home energy is exempt as income if the assistance that was provided was based on need. (LIEAP included)
<b>Charitable Donations</b>	Any donation from a nonprofit organization based on need <u>not</u> to exceed \$300 in any quarter is exempt as income. Amounts in excess of \$300 are countable.

## **Income Types**

**KEESM 6211-13 & 6311-14**

- **Regular Income**

To be considered regular income, payments are received monthly or twice a month and are reasonably assured to be available in the same monthly amount in the future.

Income received on a monthly basis is counted in the amount received. Semi-monthly income (twice a month) is converted by multiplying by 2.

- **Irregular Income**

Income is considered irregular when it is received in amounts that vary from month to month and is expected to continue.

Using the Income/Expense Worksheet, the “representative” (weekly, bi-weekly or semi-monthly averaged) amount is converted. To convert income the “representative” figure is multiplied by 4.3 if consumer is paid weekly, by 2.15 if consumer is paid every two weeks, and by 2 if consumer is paid twice a month.

KAECSES also converts income amounts entered correctly on the EAIN and UNIN screens.

- **Intermittent Income**

Income received quarterly, semi-annually, or annually is classified as intermittent.

Intermittent income is averaged over the number of months for which it was intended. Intermittent income which is received prior to the first eligibility period can not be considered in the medical budget.

- **Self-Employment Income**

Self-employment income is averaged.

Income can be obtained from a tax return and divided over the number of months the tax return covers. The worker may also look at the income from three consecutive representative months.

## **Income Budgeting**

**KEESM 6213, 6310, 7100**

### **Budgeting Regular Income**

Determine a full monthly amount. A new budget is required prior to redetermination only if regular income becomes irregular, there is no longer any income (not applicable to a job change if earnings remain regular), or there is a change in the monthly amount of regular income.

### **Budgeting Irregular Income**

Received more frequently than once a month

Based upon a representative amount of income

- reflective of amount received in a usual benefit or pay period
- amounts may be same or differ each pay period
- once established, remains in place until change occurs

Representative amount is converted as follows:

- received twice a month, multiplies by 2
- received weekly, multiplied by 4.3
- received every other week, multiplies by 2.15

### **Budgeting Intermittent Income**

Intermittent income received prior to the first eligibility period is not counted.

Establish monthly amount by dividing income by proper number of months

- 3 months for quarter
- 6 months for semi-annual
- 12 months for annual

Document in case record that income is being treated as intermittent and how the monthly amount was determined.

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## Budgeting Self-employment Income

### **Must be averaged.**

**Tax return is filed and the earnings reflect a full year of self-employment** - If the return is still reflective of the self employment then

- Establish a 12 month average based on the most recent return
- Average will remain in effect until next review and a new return is available to establish a new 12 month average

**If tax return is not filed or does not contain a full year's earnings** -  
Must use at least 3 consecutive calendar months of income.

**More than 3 consecutive months can be used and if possible, should be used when**

- income varies greatly from month to month
- the usual income pattern fluctuates

### **All months included in the average must be**

- consecutive
- immediately prior to month in which the average is being calculated
- reflective of the individual's usual income pattern
- representative of an entire month of income

### **Exclude**

- the first month of income if not representative
- any month in which a change in circumstances occurs

### **If 3 consecutive, representative months are not available**

- use a prospective estimate until the average can be established

### **Once the average is established**

- it remains in place until the next review or a change in circumstances occurs
- clearly document in the case record the calendar months used and corresponding income for each month

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## SELF-EMPLOYMENT DISREGARDS

### KEEESM 7122

#### Income Producing Cost Deduction

- The 25% standard deduction is subtracted from the gross earnings of a person who is self employed. An individual has the option of using actual income producing costs. If costs are greater than 25%, actual costs are used, not to exceed gross earnings.
- For earned self employment income the 25% standard, or actual income producing costs greater than the 25% are entered on the Self-Employment income worksheet screen using the 'E' code for expenses.

**EXAMPLE:** Melanie Jack has bees and sells honey. Her gross monthly earnings are \$455. Her actual income producing costs are \$150 each month which is greater than the 25% standard.

The SEEI screen is first completed by entering the 'SE' code for the self employment income type.

SEEI		SELF EMPLOYMENT / INTERMITTENT INCOME						041005 14:27	
		MEDICAL						BUDGET METHOD: M	
CASE NAME: Jack, MELANIE								WORKER NAME	
		NEW DEN						CASE NUMBER: 00011890 MONTH: 0405	
		NC						-----MONTHLY-----	
NAME	REL	EMP CODE	TYPE	LS	PGM	ADJ GROSS	HOURS	VR	PEND
02 MELA J	PI		SE		CA/ME		35	HC	
MORE INCOME:			MORE CLIENTS:			NEXT-->			

Once "enter" is hit, the self-employment worksheet screen SEEW becomes available.

On the SEEW screen the **\$455** is entered using the 'I' code for income. Her income producing costs are **\$150** each month. This amount is entered using the 'E' code.

SEEW		SELF EMPLOYMENT WORKSCREEN						041005 14:36	
		MEDICAL						WORKER NAME	
CASE NAME: JACK, MELANIE								CASE NUMBER: 00011890 MONTH: 0405	
PERSON: MELA J		INCOME TYPE: SE							
AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP		
455.00 I	150.00 E								
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:									
TOTAL GROSS:	455.00	EXPENSES:	150.00	ADJUSTED GROSS:		305.00			
SHARE GROSS:	455.00	EXPENSES:	150.00	ADJUSTED GROSS:		305.00			
				CA/ME PRORATED :		305.00			
				FS PRORATED :					
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<									

Make a screen print of the worksheet and place in the file before hitting "enter" to transfer the adjusted gross income of \$305 to the SEEI screen.

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If Melanie has income producing cost less than 25%, the 25% standard would be used.

Melanie's gross monthly earnings are \$455. Twenty five percent of \$455 is \$113.75. On the SEEW screen the **\$455** is entered using the 'I' code for income. The **\$113.75** is entered using the 'E' code for expense.

SEEW	SELF EMPLOYMENT WORKSCREEN				041005 14:36	
	MEDICAL				WORKER NAME	
CASE NAME: JACK, MELANIE		CASE NUMBER: 00011890 MONTH: 0405				
PERSON: MELA J		INCOME TYPE: SE				
AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	
455.00 I	113.75 E					
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:						
TOTAL GROSS:	455.00	EXPENSES:	113.75	ADJUSTED GROSS:	341.25	
SHARE GROSS:	455.00	EXPENSES:	113.75	ADJUSTED GROSS:	341.25	
				CA/ME PRORATED :	341.25	
				FS PRORATED :		
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<						

Make a screen print of the worksheet and placed in the file before hitting "enter" to transfer the adjusted gross income of \$341.25 to the SEEI screen.

- There is a second option for allowing the 25% cost of doing business standard and having the system calculate the deduction for you. If you chose this option, then enter the **\$455** as 'I' and then enter **75%** in the SHARE% field replacing the 100%. The KAECSSES system will then calculate the adjusted gross income allowing the 25% deduction.

SEEW	SELF EMPLOYMENT WORKSCREEN				041007 14:36	
	MEDICAL				WORKER NAME	
CASE NAME: JACK, MELANIE		CASE NUMBER: 00011890 MONTH: 0405				
PERSON: MELA J		INCOME TYPE: SE				
AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	AMOUNT TYP	
455.00 I						
SHARE%: 75 CA/ME PERIOD: 1 FS PERIOD:						
TOTAL GROSS:	455.00	EXPENSES:		ADJUSTED GROSS:	455.00	
SHARE GROSS:	341.25	EXPENSES:		ADJUSTED GROSS:	341.25	
				CA/ME PRORATED :	341.25	
				FS PRORATED :		
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<						

Make a screen print of the worksheet and placed in the file before hitting "enter" to transfer the adjusted gross income of \$341.25 to the SEEI screen.

- Even if no costs are reported, the 25% standard is still allowed for both earned and unearned self employment income. (KEESM 6313.1 Note, 7122.1Note)

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## Self-Employment Unearned Income

- ✓ Net countable income from unearned income such as rental property shall be determined using the 25% standard self-employment expense deduction or if requested actual expenses.
- ✓ Rental property income is considered unearned self-employment when the person is not actively engaged in the production of income and/or the management of the property for at least 20 hours a week. (KEESM 6313)
- ✓ For unearned self employment income, the 25% standard must be calculated by hand and the adjusted gross income amount entered on the UNIN screen.

**EXAMPLE:** Solo Jack has pasture land that he rents out. He does not spend 20 hours a week managing the property. Solo receives \$600 quarterly.

He does not report any costs, but you must allow the 25% cost of doing business expense.

You determine that since this is intermittent self-employment income, you must average the income over the number of months for which it is intended. \$600 divided by 3 (since it is received quarterly) = \$200. \$200 - \$50 (25% deduction) = \$150 monthly rental income.

UNIN				UNEARNED INCOME			BUDGET METHOD: M		
CASE NAME: JACK, SOLO				MEDICAL			CASE NUMBER: 00011890 MONTH: 0405		
NAME	REL	TY	SUB	MEDICAL DIVISOR	FREQ PAID	NC LS	AMOUNT	VR	PEND
01 SOLO	PI	RA	...	1	MO	.	150.00	HC	....
		...	...	.	....	.	.....	...	....

Be sure to document your file to show how the rental income amount was determined.

5/2008

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**BLIND WORK EXPENSES AND  
IMPAIRMENT RELATED WORK EXPENSES  
KEESM 7240 (1)**

Blind Work Expense (BWE)

- < In order to allow blind work expenses it must be verified that the consumer meets the Social Security blindness criteria. Once this is verified the **AB** code should be used on **HERE** to record in the system that the person is blind.
- < The first \$300 of earned income is exempt for persons reporting allowable work expenses. If the verified expenses exceed \$300, actual averaged expenses shall be allowed.
- < Allowable expenses for the blind are expenses reasonably related to earning the income. The amount of BWE may **never** exceed the total amount of earned income.
- < Expenses cannot be subject to reimbursement from any source (including Medicaid or the employer). The following is a list of allowable BWE expenses:
  - ✓ Guide dog expenses (cost of obtaining and maintaining the animal)
  - ✓ Transportation to and from work
  - ✓ Federal, State, and Local income taxes; Social Security tax
  - ✓ Attendant care services
  - ✓ Visual aides and translation services
  - ✓ Drugs and other medical expenses or equipment **not** covered by Medicaid or other insurance
  - ✓ Non-medical equipment and services, such as tools and uniforms
  - ✓ Costs of training to use special equipment

The earned income of an individual reporting blind work expenses shall be entered on the self-employment income screen using the **BW** code as the income type. The self-employment worksheet shall be completed and a screen print made for the file entering either the \$300 standard or the average of the actual expenses.



**Example:** Bill is an ongoing Medicaid consumer who has been on a spenddown, but usually is able to meet his spenddown each base period. He has been struggling to make ends meet. He knows his part-time job is negatively impacting his Medicaid by increasing his spenddown, but he just refuses to give up working as he loves the feeling of independence he gets from the job especially since losing his sight in an accident five years ago. At review, it is verified and determined that his monthly converted representative earned income is \$451.50. Based on his pay stubs you average that his federal, state, and local income taxes average \$89 monthly. Bill also states that he has monthly transportation costs to and from work of \$100.00.

**STEP 1** The earned income amount is not entered on the EAIN screen. Instead, the SEEI screen for the medical budget is completed by entering the '**BW**' code as the income type.

SEEI	SELF EMPLOYMENT / INTERMITTENT INCOME										050308 14:27	
	MEDICAL										BUDGET METHOD: M	WORKER NAME
CASE NAME: JONES, BILL										CASE NUMBER: 00011742	MONTH: 0608	
		NEW DEN	NC	-----MONTHLY-----								
NAME	REL	EMP CODE	TYPE	LS	PGM	ADJ GROSS	HOURS	VR	PEND			
01 BILL J	PI		<b>BW</b>		CA/ME		65	HC				
MORE INCOME:			MORE CLIENTS:			NEXT-->						

**STEP 2** The worker then hits "enter" and the self-employment worksheet becomes available.

**STEP 3** Bill's total monthly income of \$451.50 is entered on the worksheet with the 'I' income type code.

**STEP 4** Bill's work related expenses do not exceed the BWE standard of \$300.00, so the standard amount is entered as an expense with 'E' for the type code.

**STEP 5** A screen print of the worksheet is made and placed in Bill's file.

SEEW	SELF EMPLOYMENT WORKSCREEN										050308 14:36
	MEDICAL										WORKER NAME
CASE NAME: JONES, BILL										CASE NUMBER: 00011742	MONTH: 0608
PERSON: BILL J		INCOME TYPE: BW									
AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP	AMOUNT	TYP
451.50	I	300.00	E								
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:											
TOTAL GROSS:	451.50	EXPENSES:	300.00	ADJUSTED GROSS:	151.50						
SHARE GROSS:	451.50	EXPENSES:	300.00	ADJUSTED GROSS:	151.50						
				CA/ME PRORATED :	151.50						
				FS PRORATED :							
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<											

## Impairment Related Work Expense (IRWE)

- ✓ These disregards apply only to MS consumers who meet the elderly or disability criteria and are working.
- ✓ Allowable expenses are those directly related to enabling a person to work which are incurred because of a physical or mental impairment. The amount of IRWE may never exceed the total amount of earned income.
- ✓ The first \$100 of earned income is exempt for persons reporting allowable work expenses. If the verified work expenses exceed \$100, actual averaged expenses shall be allowed.
- ✓ Expenses cannot be subject to reimbursement from any source (including Medicaid or the employer). The following is a list of allowable IRWE expenses:
  - Attendant care performed in the work setting or helping prepare for work
  - Specialized transportation
  - Drugs or other medical equipment not covered by Medicaid or other insurance
  - Service animal expenses; costs of obtaining or maintaining the animal such as food, licenses, and vet bills
  - Non-medical equipment and services, such as tools and one-handed typewriters, related to the impairment (special accommodations)

The earned income of an individual reporting impairment related work expenses shall be entered on the self-employment income screen using the **IW** code as the income type. The self-employment worksheet shall be completed and a screen print made for the file entering either the \$100 standard or the average of the actual expenses.

**NOTE:** The consumer only needs to **report** an allowable expense to receive the standard BWE or IRWE disregard. If the consumer's expenses exceed the standard, verification of the expenses is required.

**Example:** Frank is 69 years old, he timely reports in June that he has just gained employment with the local center for independent living. He is working 25 hours a week, is being paid \$5.25 an hour, and is paid every two weeks on Friday. Frank reports that he has quite a few work related expenses. He verifies that he has a service dog and the dog's food costs \$20.00 monthly, his city dog license is \$15 yearly, and to keep his dog healthy he takes him for a veterinarian visit every six months @ \$125 a visit, he cannot use public transportation and must use A&Z Medical Transport his costs are \$100.00 monthly for trips to and from work, and he also requires attendant care to help him get ready for work which runs \$250.00 monthly.

**STEP 1** The worker completes the SEEI screen entering the new 'IW' code as the income type.

SEEI	SELF EMPLOYMENT / INTERMITTENT INCOME										040308 14:27	
	MEDICAL										BUDGET METHOD: M	WORKER NAME
CASE NAME: DOE, FRANK										CASE NUMBER: 00011445		MONTH: 0408
NEW DEN NC										-----MONTHLY-----		
NAME	REL	EMP	CODE	TYPE	LS	PGM	ADJ GROSS	HOURS	VR	PEND		
01 FRAN D	PI			IW		CA/ME		107	HC			
MORE INCOME:			MORE CLIENTS:			NEXT-->						

**STEP 2** The worker then hits "enter" and the self-employment worksheet becomes available.

**STEP 3** Since Frank hasn't received any paychecks yet, the EES worker determines a "representative" amount based on \$5.25 an hour and 25 hours a week = \$262.50 and then converts this income by multiplying by 2.15 since Frank is paid every two weeks. The total monthly income of \$564.37 is entered on the worksheet.

**STEP 4** Frank's verified work related expenses exceed the IRWE standard of \$100.00, but do not exceed his total income. The worker determines that Frank's average monthly IRWE expenses are \$392.08 (\$20 + \$1.25 + \$20.83 + \$100.00 + \$250.00) and enters this amount on the worksheet.

**STEP 5** A screen print of the worksheet is made and placed in Frank's file.

EEW	SELF EMPLOYMENT WORKSCREEN										040308 14:36	
	MEDICAL										WORKER NAME	
CASE NAME: DOE, FRANK										CASE NUMBER: 00011445		MONTH: 0408
PERSON: FRAN D										INCOME TYPE: IW		
AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP AMOUNT TYP												
564.37 I		392.08 E										
SHARE%: 100 CA/ME PERIOD: 1 FS PERIOD:												
TOTAL GROSS: 564.37		EXPENSES: 392.08		ADJUSTED GROSS: 172.29								
SHARE GROSS: 564.37		EXPENSES: 392.08		ADJUSTED GROSS: 172.29								
CA/ME PRORATED : 172.29												
FS PRORATED :												
>>>>> PLEASE PRINT SCREEN - DATA NOT SAVED <<<<<												

**MS DISREGARDS**  
**KEESM 7240**

- One disregard is allowed for the combined incomes of all MS individuals in the plan and excluded legally responsible persons.
- All deductions are allowed automatically by the KAECSSES system.
- \$20 of unearned income per month is disregarded.
- If earned income is involved, determine countable amount as follows:

$$\begin{array}{r}
 \text{Total gross earnings} \\
 -\$65 \\
 \hline
 = \text{Remainder} \\
 \\
 \text{Divide remainder by 2} = \text{countable income}
 \end{array}$$

**Example: Client receives gross monthly OASDI benefits of \$600 along with gross monthly earnings of \$265. Countable income for the MS program would be as follows:**

<u><b>EAIN</b></u>		<u><b>UNIN</b></u>	
\$265.00		\$600.00	
- 65.00		- 20.00	
-----		-----	
\$200.00			
÷ 2			
-----			
\$100.00	+	\$580.00	= <u>\$680.00</u>